



CABINET FOR ECONOMIC DEVELOPMENT

Matthew G. Bevin
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601
ThinkKentucky.com

Terry R. Gill, Jr.
Secretary

MEMORANDUM

TO: KEDFA Members

FROM: Katie Smith, Commissioner
Department for Financial Services

DATE: May 25, 2018

SUBJECT: KEDFA Board Meeting

The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **Thursday, May 31, 2018** at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway in Frankfort. The meeting will convene at 10:00 a.m. (EDT) in the Board of Directors Conference Room.

If you have any questions, please feel free to contact our office at any time.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

Old Capitol Annex
Board of Directors Conference Room
300 West Broadway
Frankfort, Kentucky

AGENDA May 31, 2018

Call to Order
Notification of Press
Roll Call

Minutes

Minutes from April 26, 2018 Regular KEDFA Board Meeting
Minutes from April 26, 2018 Executive Session

Reports

Approved/Undisbursed Loan Report	Kylee Palmer
Financial Statements and Monitoring Reports	Krista Harrod
Audit Communication	Katie Smith

TIF Project (Final)

Kylee Palmer

Metro Development Authority, Inc.	Jefferson
Butchertown Stadium District	

EDB Project

Debbie Phillips

Fritz Winter North America LP	Simpson
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Local IRB Project

Debbie Phillips

Maker's Mark Distillery, Inc.	Marion
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KEDFA Loan (Modification)

Sarah Butler

Elizabethtown-Hardin County Industrial Foundation, Inc.	Hardin
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KEDFA Grant (Amendment)

Kylee Palmer

Louisville/Jefferson County Metro Government	Jefferson
Louisville Waterfront Development Corporation	

EDB Project (Amendment)

Bobby Aldridge

Valvoline LLC	Fayette
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KBI Projects (Amendment)

Bobby Aldridge

TechStyle, Inc.	Jefferson
Valvoline LLC	Fayette

KEIA Projects (Extension)

Bobby Aldridge

AAK USA K2, LLC	Jefferson
Wilderness Trace Distillery Limited	Boyle
Interapt, LLC	Jefferson

KBI Projects (Preliminary)

Berry Global, Inc.	Warren	Corky Peek / Michelle Elder
Corvac Composites LLC	Butler	Corky Peek / Michelle Elder
Crown Verity USA Inc.	Warren	Corky Peek / Michelle Elder
Mayfield Consumer Products, LLC	Graves	Corky Peek / Michelle Elder
RH Resolute Distillery, Inc.	Fulton	Corky Peek / Michelle Elder
RKW North America, Inc.	Simpson	Corky Peek / Michelle Elder
Four O Corporation	Boone	Anna Beth Bobbitt / Debbie Phillips
Investors Heritage Life Insurance Company	Franklin	Taylor Sears / Kate Greenwell

KBI Projects (Extension)

Michelle Elder

eBay Inc.	Boone
Karbec LLC	LaRue
Toyo Automotive Parts (USA), Inc.	Simpson
Accumetric, LLC	Hardin
TMK IPSCO Coating Corporation	Campbell

KBI Projects (Final)

Debbie Phillips

Bluegrass Supply Chain Services, LLC	Bullitt
Hydro-Gear Limited Partnership	Caldwell
Texas Roadhouse, Inc.	Jefferson
White Clay Consulting, Inc.	Jefferson
Data Dimensions, LLC	Montgomery
Universal Woods, Incorporated	Jefferson

KIRA Project (Preliminary)

Lauren Osborne / Debbie Phillips

Excel Mining, LLC	Pike
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KRA Project (Final)

Michelle Elder

Domtar Paper Company, LLC	Hancock
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KSBCI Collateral Support Project

Kylee Palmer

Narrow Gate Properties, LLC	Jefferson
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KSBTC

Tim Back

Bluegrass Tool & Industrial, LLC	Fayette
Consultant Solutions, Incorporated	Fayette
Copperhead Environmental Consulting Inc.	Garrard

DF Trucking, Inc.
 J2P, LLC
 J Michael's Spa & Salon, LLC
 SRP Enterprises, LLC
 The Eye Center of Paducah, LLC
 Videobred, Inc.
 XPLOREKY, LLC

Pulaski
 Pike
 Jefferson
 Warren
 McCracken
 Jefferson
 Jefferson

Kentucky Angel Investment Tax Credit Projects

Tim Back

Halecky, Benedicta M.	Clark	Atalo Holdings, Inc.
Needham, Phil D.	Clark	Atalo Holdings, Inc.
Stacy, Raymond Michael	Kenton	Bexion Pharmaceuticals, Inc.
Glasscock, Charles Edward	Jefferson	EdjSports, LLC
Young, Christopher H.	Fayette	EIE Materials Inc.
Huff, Michael Adam	Kenton	Gourmet Renee LLC
Jones, Gregory Scott	Kenton	Gourmet Renee LLC
Powers, Scott M.	Kenton	Gourmet Renee LLC
King, Darren G.	Fayette	Gun Media Holdings, Inc.
King, Darren G.	Fayette	Hummingbird Nano, Inc.
Young, Christopher H.	Fayette	Hummingbird Nano, Inc.
Masters, Cynthia R.	Jefferson	MER Ventures LLC
Streepey, Ben M.	Jefferson	Pyrochem Catalyst Company
Carter, Eric S.	Jefferson	Rabbit Hole Spirits, LLC
Kakarlapudi, Venkata V.	Jefferson	Rabbit Hole Spirits, LLC
Kelmanson, Louis R.	Jefferson	RCM Brain, Inc.
Lapinski, Sterling A.	Jefferson	Virtual Peaker, Inc.
Moeves, Tobias J.	Kenton	Wyzerr Inc.

Closed Session

Adjournment

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING

April 26, 2018

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:09 a.m. EDT on April 26, 2018, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

Notification of Press

Jean Hale, Chairman, received verification that the media had been notified of the KEDFA regular monthly board meeting.

Roll Call

Members Present: Jean Hale, Don Goodin, Melinda Hill, Proxy for Secretary William M. Landrum, III, Tucker Ballinger and Joe Kelly

Staff Present: Bobby Aldridge, Tim Back, John Bevington, Anna Beth Bobbitt, Jessica Burke, Sarah Butler, Michelle Elder, Reid Glass, Kate Greenwell, Krista Harrod, Lauren Osborne, Kylee Palmer, Corky Peek, Erran Persley, Debbie Phillips, Lindsey Ransdell, Taylor Sears, Tess Simon, Katie Smith and Teresa Spreitzer

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Jason Horwitz, Anderson Economic Group; Richie Sanders, Capital Link Consultants; Casey Bolton, Commonwealth Economics; Quincy Cutshaw, Denham-Blythe; Brad Thomas, Kentucky's Touchtone Energy Co-ops; Laura Ferguson, Louisville/Jefferson County Metro Government; Barry Lendrum, Paladin; and Geoff Dickinson, SB Friedman Development Advisors

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the March 29, 2018 regular KEDFA board meeting and executive session.

Joe Kelly moved to approve the minutes, as presented; Melinda Hill seconded the motion. Motion passed; unanimous.

Approved/Undisbursed Loan Report

Chairman Hale called on Kylee Palmer to review the approved/undisbursed loan report. After review, the Authority accepted the report as presented.

Financial Statements and Monitoring Reports

Chairman Hale called on Krista Harrod to review the financial statements and monthly monitoring reports as of March 31, 2018. After review, the Authority accepted the statements and reports as presented.

KEDFA Loan (Modification)

Chairman Hale called on Sarah Butler to present a KEDFA Loan modification request to the Authority.

Murray-Calloway Economic Development Corporation Calloway County

Ms. Butler stated on May 16, 2008, KEDFA approved a \$1,600,000 loan to Murray-Calloway Economic Development Corporation (MCEDC) to finance the purchase of a 135-acre tract of land to create a new industrial park. The loan was made for a term of five years at an interest rate of 2% with a maturity date of May 16, 2013. At that time, KEDFA was secured with a letter of credit and a \$500,000 certificate of deposit (CD).

In May 2013, MCEDC provided an appraisal that indicated a property value of \$3.5 million. KEDFA approved a request for a change in collateral from a letter of credit to a first mortgage and a five-year extension with interest only payments for the first two years. Beginning the third year, MCEDC would repay the loan by making monthly principal and interest payments with a maturity date in May 2018. MCEDC was also required to make principal reductions in exchange for the sale and partial release of real estate in the park.

By July 2015, MCEDC had sold one parcel and submitted a payment of \$20,000. KEDFA approved, as requested, a \$250,000 partial release of the existing CD and release of 23 acres for the construction of a spec building in the industrial park in exchange for a principal pay down of \$250,000. In addition, KEDFA approved a requested change to the loan repayment terms to \$2,000 monthly principal payments and accrued interest quarterly.

The spec industrial building was completed in the spring of 2017 and is listed for sale. MCEDC has also invested over \$3 million into the park for infrastructure, highway frontage, water lines, and electrical access. MCEDC estimates a three year sell off. No additional parcels have been sold, but MCEDC reports requests for information activity in the park.

The current loan balance is \$1,275,986 and the estimated loan to cost basis is approximately 26%. MCEDC has requested to extend the loan maturity for five years and increase the principal payments to \$5,000 per month plus 2% interest. The mortgage and \$250,000 CD would remain as collateral for the loan.

Staff recommended approval of the loan modification to extend the maturity to May 2023, and to increase the monthly principal payments to \$5,000 per month plus interest.

Don Goodin moved to approve the staff recommendation, as presented; Tucker Ballinger seconded the motion. Motion passed; unanimous.

Kentucky Business Investment (KBI) Projects (Amendment)

Chairman Hale called on Bobby Aldridge to present the KBI project amendments to the Authority.

Generation Tux, Inc. Jefferson County

Mr. Aldridge stated Generation Tux, Inc. is a renter of men's formalwear. The company received final approval on July 27, 2017 for a project to locate a new fulfillment center in Louisville.

Subsequent to the execution of the original Tax Incentive Agreement and in connection with the acquisition of a competing business, the company increased the size and scope of the

project. To encourage the expanded growth at the project site and recognize the increased investment, staff negotiated the following changes in the project: The job target increased from 80 to 300, the average hourly wage increased from \$20.00 to \$21.00 including benefits, and the tax incentive amount increased from \$1,000,000 to \$2,500,000. The annual targets and annual maximums were also revised.

The company has not activated the project and requested an Amendment to the Tax Incentive Agreement recognizing the changes to the project as stated above.

Staff recommended approval of the KBI amendment request.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

Nationwide Mutual Insurance Company Jefferson County

Mr. Aldridge stated on April 25, 2013, KEDFA granted final approval to Jefferson National Financial Corp. (Jefferson) to assist with the relocation of the company's out-of-state headquarters to Louisville. The project activated on April 30, 2013.

On March 1, 2017, Nationwide Mutual Insurance Company (Nationwide) acquired Jefferson, and effective December 18, 2017, transitioned all employees of Jefferson to Nationwide. Nationwide wishes to assume the rights and obligations of the KBI project and requested Nationwide be designated as the approved company under the program. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)

Chairman Hale called on Mr. Aldridge to present the KEIA project extension requests to the Authority.

Mr. Aldridge stated 4 companies requested additional time to complete the projects. Mr. Aldridge asked that all 4 be presented as one motion.

Company	County	Extension
Carl Zeiss Vision Inc.	Boone	2 Month
Lakeshore Equipment Company dba Lakeshore Learning Company	Woodford	3 Month
Rabbit Hole Spirits, LLC	Jefferson	3 Month
Peristyle, LLC	Woodford	12 Month

Staff recommended approval of the KEIA extension requests.

Mr. Kelly moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

KEIA Project

Chairman Hale called on staff to present a KEIA project to the Authority.

Water Tower Place, LLC
Jefferson County

Tess Simon
Debbie Phillips

Tess Simon stated Water Tower Place, LLC is an entity formed for the ownership of the proposed Water Tower Place Hotel which Barrister Commercial Group is the developer. The company is considering the construction of a 143 room/suite hotel to include a restaurant, lounge and meeting space. The hotel can provide lodging for the numerous tourism events held at Champions Park.

Debbie Phillips stated the project investment is \$26,000,000 of which \$16,500,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$400,000 for construction materials and building fixtures.

After discussion, Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

KBI Projects (Preliminary)

Chairman Hale called on staff to present the KBI preliminary projects to the Authority.

EZ Pack Refuse Hauling Solutions, LLC dba
Commercial Specialty Truck Holdings
Harrison County

Anna Beth Bobbitt
Michelle Elder

Anna Beth Bobbitt stated Commercial Specialty Truck Holdings is considering enhancing its product portfolio by adding front discharge drums and service parts to its manufacturing footprint. The additional products would add to the company's existing capabilities and immediately bring new jobs to the community.

Ms. Bobbitt introduced Richie Sanders and invited him to address the board regarding the project.

Michelle Elder stated the project investment is \$6,685,200 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 100 with an average hourly wage of \$22.00 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain a base employment equal to the greater number of full-time, Kentucky resident employees as of the date of preliminary approval or 170 (base employment required by a previous project) full-time, Kentucky resident employees.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,400,000.

After discussion, Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Goodin seconded the motion. Motion passed; unanimous.

Greenfield World Trade, Inc.
Bourbon County

Taylor Sears
Debbie Phillips

Taylor Sears stated Greenfield World Trade, Inc. opened for business in 1999 as a distributor of kitchen products. The company is considering a new manufacturing location for its Excalibur Food Dehydrator and Nautilus Water Purification products.

Ms. Phillips stated the project investment is \$6,675,000 of which \$6,275,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 60 with an average hourly wage of \$19.00 including benefits. The state wage assessment participation is 3.0% with the City of Paris participation at 0.5% and Bourbon County participation at 0.5%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$600,000.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

Mayfield Consumer Products, LLC
Graves County

Corky Peek
Michelle Elder

Corky Peek stated Mayfield Consumer Products, LLC is a complete home fragrance company that designs, manufactures and markets various label and branded candles and home fragrance products. The company is considering a building in Graves County to implement a portion of its candle production operation as well as purchase of equipment.

Ms. Elder stated the project investment is \$5,550,000 of which \$3,200,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 35 with an average hourly wage of \$19.00 including benefits. The state wage assessment participation is 3.0% and Graves County will participate at 1.0%. The company will be required to maintain 100% of the total countywide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval. The project will include multiple locations within Graves County. Only investment costs incurred at 22 Rifle Trail, Hickory, Kentucky will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$700,000.

Mr. Goodin moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

KBI Projects (Extension)

Chairman Hale called on Ms. Elder to present the KBI extension requests to the Authority.

Ms. Elder stated 15 companies requested a time extension. Ms. Elder asked that all 15 be presented as one motion.

Company	County	Extension
ADP Benefit Services KY, Inc.	Jefferson	3 Month
Universal Woods, Inc.	Jefferson	3 Month
Peristyle, LLC	Woodford	6 Month
Appalachian Metal Prototypes Inc.	Bell	12 Month
D & B Truck and Equipment Sales, LLC	Barren	12 Month
Flottweg Separation Technology, Inc.	Boone	12 Month
Hera Testing Laboratories, Inc.	Fayette	12 Month
Industry Products Company	Scott	12 Month
Isopure, Corp.	Shelby	12 Month
New Mather Metals, Inc.	Simpson	12 Month
Progress Rail Raceland Corporation	Greenup	12 Month

RXC Acquisition Company dba RXCrossroads	Jefferson	12 Month
Safai Enterprises, Inc.	Jefferson	12 Month
Summit Biosciences Inc.	Fayette	12 Month
Vestor Horizon Technologies, LLC	Warren	12 Month

Staff recommended approval of the KBI extension requests.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

KBI Projects (Final)

Chairman Hale called on Ms. Phillips to present the KBI projects for final approval to the Authority.

Ms. Phillips stated 6 companies requested KBI final approval, 3 of which have modifications since preliminary approval. Ms. Phillips asked that all 6 be presented as one motion.

No Modifications:

Project Name	County	Type Project
3M Company	Harrison	Manufacturing
Four Roses Distillery LLC	Anderson	Manufacturing
Sondex, Inc.	Jefferson	Manufacturing

Modifications:

Aldora Aluminum & Glass Products, Inc. Jefferson Manufacturing
The company name changed from Louisville Plate Glass Company, Inc. to Aldora Aluminum & Glass Products, Inc. All other aspects of the project remain the same.

Rabbit Hole Spirits, LLC Jefferson Manufacturing
The project will include multiple locations within Louisville, Jefferson County. Only investment costs incurred at 711 East Jefferson Street will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance. All other aspects of the project remain the same.

Tower Automotive Operations USA I, LLC Bullitt Manufacturing
Rent is no longer eligible, therefore, the eligible costs decreased from \$5,000,000 to \$3,000,000. All other aspects of the project remain the same.

Staff recommended approval of the KBI final resolutions and tax incentive agreements and the authorization to execute and deliver the documents.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed, unanimous.

Kentucky Small Business Tax Credit (KSBTC) Projects

Chairman Hale called on Tim Back to present the KSBTC projects to the Authority.

Mr. Back stated there are 8 Kentucky small businesses from 7 counties with qualifying tax credits of \$50,300. The 8 businesses created 15 jobs and invested \$110,295 in qualifying equipment and/or technology.

Mr. Back requested the following tax credits be presented as one motion:

Qualified Small Business	County	Beg. Emp.	Elig. Pos.	Average Hourly Wage	Qualifying Equipment and/or Technology	Tax Credit
Green Up, LLC	Oldham	0	1	\$ 13.00	\$ 5,128	\$ 3,500
Healthcare Asset Network, Inc.	Jefferson	4	2	\$ 39.66	\$ 5,082	\$ 5,000
Heritage Installations I, LLC	Jefferson	30	1	\$ 21.64	\$ 11,780	\$ 3,500
Max M. Downey, O.D., P.S.C.	Adair	8	1	\$ 12.00	\$ 10,995	\$ 3,500
Rubel Creative, Inc.	Warren	3	3	\$ 17.64	\$ 10,395	\$ 10,300
School Spirit Coffee Inc	Clark	1	1	\$ 15.00	\$ 11,999	\$ 3,500
Tristate Pizza, LLC	Daviess	0	5	\$ 18.56	\$ 47,980	\$ 17,500
Wilpower Futures, Inc	Knox	0	1	\$ 11.00	\$ 6,936	\$ 3,500

Staff recommended approval of the tax credits.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

Closed Session

Pursuant to KRS Section 61.810 (1) (G), Chairman Hale entertained a motion to enter into executive session to discuss a specific business proposal, the open discussion of which would jeopardize the siting, retention, expansion or upgrade of the business.

Mr. Kelly moved to enter into executive session; Ms. Hill seconded the motion. Motion passed; unanimous.

The board entered into executive session at 10:34 a.m.

Regular Session

Chairman Hale entertained a motion to return to regular session.

Mr. Kelly moved to return to regular session; Ms. Hill seconded the motion. Motion passed; unanimous.

The board returned to regular session 11:08 a.m.

Other Business

Quarterly Report - Kentucky Small Business Credit Initiative (KSBCI)

Chairman Hale called on Ms. Palmer to review the Quarterly KSBCI Report for the period ending March 31, 2018. After review, the Authority accepted the report as presented.

Resolution of Recognition

Chairman Hale read and presented a Resolution to recognize the service of Dorsey G. Hall as a Director of the Board and his contribution toward making the Kentucky Economic Development Finance Authority a working success.

Chairman Hale moved to adopt the resolution, as presented; Mr. Goodin seconded the motion. Motion passed; unanimous.

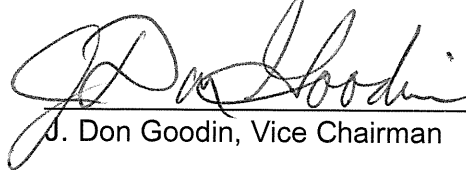
Adjournment

There being no further business, Chairman Hale entertained a motion to adjourn.

Ms. Hill moved to adjourn the April KEDFA board meeting; Mr. Ballinger seconded the motion. Motion passed; unanimous.

The meeting adjourned at 11:12 a.m.

PRESIDING OFFICER:

A handwritten signature in cursive script, appearing to read "J. Don Goodin", is written over a horizontal line.

J. Don Goodin, Vice Chairman

KEDFA APPROVED AND NOT DISBURSED

4/30/2018

Approved and Undisbursed KEDFA Projects

Applicant	Form #	County	Date Approved	Commitment Expires	Project Amount
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KEDFA LOANS

None

KEDFA GRANTS

Louisville/Jefferson County Metro Government (Louisville Regional Airlift Development, Inc.)	21730	Jefferson	Jul-17	Jan-20	\$1,330,000
Louisville/Jefferson County Metro Government (Res-Care, Inc.)	21990	Jefferson	Jan-18	Dec-22	\$500,000

SMALL BUSINESS LOANS

None

TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S)\$1,830,000**Approved and Partially Disbursed KEDFA Projects**

Applicant	Form #	County	Date Approved	Closing Date	Project Amount	Disbursed to Date	Remaining Balance
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KEDFA GRANTS

Louisville/Jefferson County Metro Government (Louisville Waterfront Park)	21597	Jefferson	Apr-17	Jun-18	\$376,073	(\$311,149)	\$64,924
Louisville/Jefferson County Metro Government (Restaurant Supply Chain Solutions)	21636	Jefferson	May-17	Jun-20	\$500,000	(\$125,000)	\$375,000
Tri-County Economic Development Corporation	21599	Kenton	Feb-17	Jun-23	\$2,000,000	(\$1,634,986)	\$365,014

TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S)\$804,938**TOTAL KEDFA APPROVED AND NOT DISBURSED**\$2,634,938

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF NET POSITION
4/30/2018

	FUND A	BOND FUND	Small Bus. Loan Pool	KEDFA 4/30/18	OOE 4/30/18	COMBINED 4/30/18
<u>ASSETS</u>						
Cash & Accounts Receivable						
Operating Account	175,274.32	0.00	0.00	175,274.32	0.00	175,274.32
Cash	2,359,096.23	15,068,913.26	399,626.98	17,827,636.47	0.00	17,827,636.47
High Tech Construction Pool	0.00	0.00	0.00	0.00	137,500.00	137,500.00
High Tech Investment Pool	0.00	0.00	0.00	0.00	2,840,737.19	2,840,737.19
High Tech LGEDF Pool	0.00	0.00	0.00	0.00	4,043.88	4,043.88
Investment Account	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	0.00	0.00	0.00	0.00	0.00
Intergovernment Receivable	1,304,938.22	0.00	0.00	1,304,938.22	250,000.00	1,554,938.22
Total Cash & Accounts Receivable	3,839,308.77	15,068,913.26	399,626.98	19,307,849.01	3,232,281.07	22,540,130.08
Accrued Interest Receivable						
Loans	24,818.63	8,146.57	0.00	32,965.20	0.00	32,965.20
Investments	2,677.53	15,974.66	425.10	19,077.29	0.00	19,077.29
Total Accrued Interest Receivable	27,496.16	24,121.23	425.10	52,042.49	0.00	52,042.49
Notes Receivable						
Loans Receivable	18,726,089.15	3,024,758.73	0.00	21,750,847.88	0.00	21,750,847.88
(Allowance for Doubtful Accounts)	0.00	0.00	0.00	(1,684,722.61)	0.00	(1,684,722.61)
Total Notes Receivable	18,726,089.15	3,024,758.73	0.00	20,066,125.27	0.00	20,066,125.27
TOTAL ASSETS	22,592,894.08	18,117,793.22	400,052.08	39,426,016.77	3,232,281.07	42,658,297.84
DEFERRED OUTFLOWS OF RESOURCES				980,000.00	0.00	980,000.00
<u>LIABILITIES</u>						
Accrued Salaries & Compensated Absences				325,453.00	0.00	325,453.00
Accounts Payable				0.00	0.00	0.00
Intergovernment Payable				0.00		0.00
Grants Payable				0.00	0.00	0.00
Pension Liability				9,341,000.00	0.00	9,341,000.00
TOTAL LIABILITIES				9,666,453.00	0.00	9,666,453.00
DEFERRED INFLOWS OF RESOURCES				0.00	0.00	0.00
<u>NET POSITION</u>						
Beginning Balance				33,177,769.74	4,364,119.78	37,541,889.52
Current Year Undivided Profits				(2,438,205.97)	(1,131,838.71)	(3,570,044.68)
TOTAL NET POSITION				30,739,563.77	3,232,281.07	33,971,844.84

NOTE 1 The Small Business Loan Pool is presented separately only for internal tracking purposes.

NOTE 2 The Office of Entrepreneurship (OOE) operating transactions are no longer under the direction of KEDFA and are not reflected above.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH ENDING AND FISCAL YTD April 30, 2018

	FUND A	BOND FUND	Small Bus Loan Pool	OOE FUND	FY 2017-2018 YEAR TO DATE	FY 2016-2017 YEAR TO DATE
Operating Revenues - KEDFA						
Interest Income/Loans	17,471.89	4,968.26	0.00	0.00	234,551.24	201,574.45
Interest Income/ Investments	2,677.53	15,974.66	425.10	0.00	125,133.84	17,437.08
Late Fees	0.00	0.00	0.00	0.00	0.00	75.00
Application Fees	14,165.50	0.00	0.00	0.00	342,561.75	549,681.54
Miscellaneous Income	531.68	0.00	0.00	0.00	2,352.09	316.25
Total Operating Revenues - KEDFA	34,846.60	20,942.92	425.10	0.00	704,598.92	769,084.32
Operating Expenses - KEDFA						
Salaries	82,485.68				894,081.09	951,824.91
Employee benefits	59,010.70				629,280.14	635,899.65
Pension Liability Adjustment	0.00				0.00	0.00
Other Personnel Costs	0.00				0.00	300.00
Contracted Personal Services	11,571.00				113,605.30	110,368.36
Utilities and Heating Fuels	0.00				0.00	0.00
Rentals	0.00				0.00	0.00
Maintenance and Repairs	0.00				0.00	0.00
Postage and Related Services	0.41				10.23	17.24
Telecommunications	0.00				0.00	0.00
Computer Services	0.00				0.00	0.00
Supplies	0.00				0.00	0.00
Miscellaneous Services	0.00				16.00	0.00
Travel	216.07				2,318.36	2,299.51
Miscellaneous Commodities	0.00				199.00	634.00
Commodities Expense	0.00				0.00	0.00
Bad Debt Expense	0.00				0.00	0.00
Grant Disbursement	0.00				0.00	0.00
Total Operating Expenses - KEDFA	153,283.86	0.00	0.00	0.00	1,639,510.12	1,701,343.67
Income (Loss) from Operations - KEDFA	(118,437.26)	20,942.92	425.10	0.00	(934,911.20)	(932,259.35)
Non-Operating Revenues (Expenses) - KEDFA						
Operating Transfer Out - General Fund	0.00				0.00	0.00
Operating Transfer Out - BSSC					0.00	0.00
Operating Transfer Out - Secretary's Office					0.00	0.00
Operating Transfer Out - New Business	0.00				0.00	0.00
Transfer Due from Bonds	0.00				500,000.00	876,073.00
Grants Disbursed	(685,411.17)				(2,003,294.77)	0.00
Operating Transfer In - Economic Dev	0.00				0.00	0.00
Unrealized Gains/(Losses) on Investment	0.00				0.00	0.00
Realized Gains/(Losses) on Investment	0.00				0.00	0.00
Total Non-Operating Revenues (Expenses) -	(685,411.17)	0.00	0.00	0.00	(1,503,294.77)	876,073.00
CHANGE IN NET POSITION - KEDFA	(803,848.43)	20,942.92	425.10	0.00	(2,438,205.97)	(56,186.35)
Operating Revenues (Expenses) - OOE						
Interest Income - Loans				0.00	1,016.90	960.69
Misc Income				0.00	0.00	0.00
Disbursements: Projects (Note 1)				(25,000.00)	(1,400,088.84)	(540,657.87)
Repayments received from Projects				613.72	95,567.32	405,723.04
Non-Operating Revenues (Expenses) - OOE						
Operating Transfer in - OOE					0.00	15,000,000.00
Transfer Due from Bonds				0.00	226,755.51	700,000.00
Operating Transfer Out - OOE					(55,089.60)	(464,287.62)
CHANGE IN NET POSITION - OOE	0.00	0.00	0.00	(24,386.28)	(1,131,838.71)	15,101,738.24
CHANGE IN NET POSITION - COMBINED	(803,848.43)	20,942.92	425.10	(24,386.28)	(3,570,044.68)	15,045,551.89

NOTE 1 Represents disbursements for projects from OOE Funds. (See OOE listings for detail of approved projects)

NOTE 2 Statement does not include interest income for OOE that is swept monthly to OOE's operating account

NOTE 3 The Small Business Loan Pool is presented separately only for internal tracking purposes.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
CASH POSITION STATEMENT
4/30/2018

	<u>4/30/2017</u>	<u>4/30/2018</u>
Fund A Cash Balance	\$2,986,211.21	\$2,359,096.23
Less: Approved/Undisbursed	\$0.00	
	<hr/>	<hr/>
Total Unobligated Balance	\$2,986,211.21	\$2,359,096.23
 2003 Bond Fund Cash Balance	 \$15,620,552.63	 \$15,068,913.26
Less: Approved/Undisbursed	(\$3,674,273.00)	(2,634,938.00)
	<hr/>	<hr/>
Total Unobligated Balance	\$11,946,279.63	\$12,433,975.26
 Small Business Loan Fund Cash Balance	 \$396,857.24	 \$399,626.98
Less: Approved/Undisbursed	\$0.00	
	<hr/>	<hr/>
Total Unobligated Balance	\$396,857.24	\$399,626.98
 Bond Funds to be Provided for Loans	 \$0.00	
Less: Approved/Undisbursed	\$0.00	
	<hr/>	<hr/>
Total Unobligated Balance	\$0.00	\$0.00
 Budget: Cash to be Transferred to Other CED Programs for	 \$0.00	
	<hr/>	<hr/>
CASH AVAILABLE	<u>\$15,329,348.08</u>	<u>\$15,192,698.47</u>
 OCI Fund Cash Balance		
High Tech Construction Pool	\$137,500.00	\$137,500.00
Less: Approved/Undisbursed	\$0.00	
High Tech Investment Pool	\$17,887,210.57	\$2,840,737.19
Less: Approved/Undisbursed	(\$17,029,714.00)	(\$743,034.00)
LGEDF Pool	\$4,043.88	\$4,043.88
Less: Approved/Undisbursed	\$0.00	
Bond Funds to be Provided for Approved Projects	\$1,428,795.49	\$250,000.00
Bond Funds Available for Projects	\$0.00	
	<hr/>	<hr/>
Total Unobligated Balance	\$2,427,835.94	\$2,489,247.07
 TOTAL ALL FUNDS	 <u>\$17,757,184.02</u>	 <u>\$17,681,945.54</u>

**Kentucky Enterprise Initiative Act (KEIA) Projects
Fiscal 2018**

KEDFA Meeting date	5/31/2018
Total Projects Approved Fiscal Year-to-Date	49
Number of Proposed Projects for Current Month	0

Construction Materials and Building Fixtures

Fiscal Year Cap	\$20,000,000
Approved Fiscal Year-to-Date	\$17,520,800
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$2,479,200
Proposed Approval for Current Month	<u>\$0</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$2,479,200</u></u>

Research & Development and Electronic Processing Equipment

Fiscal Year Cap	\$5,000,000
Approved Fiscal Year-to-Date	\$255,000
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$4,745,000
Proposed Approval for Current Month	<u>\$0</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$4,745,000</u></u>

KBI Summary

Updated May 15, 2018

Fiscal Year End Reporting

Year	Number of Projects	Jobs			Wages		
		Jobs Reported	Job Target	% Achieved	Average Wage Reported	Wage Target	% Achieved
2010	1	40	51	78%	\$11.42	\$11.00	104%
2011	5	269	257	105%	\$35.00	\$28.90	121%
2012	18	1,264	1,154	110%	\$25.30	\$23.23	109%
2013	57	5,882	5,380	109%	\$24.88	\$23.37	106%
2014	92	10,046	9,442	106%	\$24.85	\$23.04	108%
2015	128	14,197	12,113	117%	\$25.28	\$22.45	113%
2016	166	19,567	16,598	118%	\$24.74	\$21.71	114%
2017	124	11,886	9,351	127%	\$25.86	\$22.12	117%

Annual Maximums and Incentives Claimed

Year	Approved Annual Maximum	Earned Annual Maximum	Incentives Claimed*	Utilization Rate
2010-2012**	\$5,182,833	\$4,914,663	\$2,104,094	43%
2013	\$15,799,451	\$14,088,639	\$6,601,085	47%
2014	\$27,770,169	\$24,112,127	\$13,131,631	54%
2015	\$46,169,440	\$40,372,578	\$18,084,965	45%
2016	\$39,748,148	\$35,213,630	\$19,923,814	57%
2017	\$36,982,310	\$31,240,377	N/A	N/A
Grand Total	\$171,652,350	\$149,942,013	\$59,845,588	40%

- The Commonwealth provided \$3,058 of incentives per new job reported based on total actual incentives claimed to date and actual jobs reported in 2016.
- Based on actual jobs and wages reported in 2016 by companies approved to claim incentives, the estimated payroll for new, full-time Kentucky resident jobs is approximately \$1 billion. This equated to \$16.83 for every \$1 of claimed incentives.

***Notes on incentives claimed:** Data is based on information provided by the Kentucky Department of Revenue. Total incentives claimed represents the total of income tax credits and wage assessments claimed through December 31, 2017.

****Due to taxpayer confidentiality, years 2010-2012 were combined.**

Project Update Report

May 2018

<u>Project</u>	<u>County</u>	<u>Approval Date</u>	<u>Exit Date</u>	<u>Program</u>
<u>MVP Group International, Inc.</u>	Fulton	01/31/2013	04/30/2018	KBI
Company withdrew from the KBI Program per email dated 4/13/2018.				
<u>Amazon.com.kydc LLC</u>	Taylor	10/29/2015	04/30/2018	KBI
Company requested to let the incentives expire as of 4/30/2018.				
<u>Paris Machining, LLC</u>	Bourbon	04/30/2015	04/30/2018	KBI
Email dated 3/9/2018 the company requested to let the incentives expire due to not meeting the jobs requirement.				



May 1, 2018

To the Committee Members
Kentucky Economic Development Finance Authority

We are engaged to audit the financial statements of the Kentucky Economic Development Finance Authority (Authority) for the year ended June 30, 2018. Professional standards require that we provide you with the following information related to our audit.

***Our Responsibilities under U.S. Generally Accepted Auditing Standards
and Government Auditing Standards***

As stated in our engagement letter dated May 1, 2018, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the Authority. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests is not to provide an opinion on compliance with such provisions.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our "year-end fieldwork" on July 16, 2018 and to issue our reports no later than October 1, 2018.

Kentucky
Indiana
Ohio

MCM CPAs & Advisors LLP
P 502.749.1900 | F 502.749.1930
2600 Meidinger Tower | 462 South Fourth Street | Louisville, KY 40202
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To the Committee Members
Kentucky Economic Development Finance Authority
May 1, 2018

Page Two

This information is intended solely for the use of the Committee Members and is not intended to be, and should not be, used by anyone other than this specified party.

Very truly yours,

A handwritten signature in dark ink, appearing to read "MCM CPAs & Advisors LLP", written in a cursive, stylized script.

MCM CPAs & Advisors LLP
Louisville, Kentucky

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
TIF REPORT - FINAL APPROVAL**

Date: May 31, 2018
Preliminary Approval: January 25, 2018
Applicant: Metro Development Authority, Inc.
Project Name: Butchertown Stadium District
City: Louisville **County:** Jefferson
Program Type: Mixed-Use Redevelopment in Blighted Urban Areas
TIF Term: 20 years **DFS Staff:** Kylee Palmer

Project Description: The Louisville City Football Club "LCFC" is planning to build a new soccer-specific stadium in Louisville, KY. The development is expected to create a stadium district on approximately 37 acres of underutilized property in the Butchertown District, just off Interstate-64 and across from Waterfront Park. The project will be centered around the new 10,000 seat stadium and will also include hotels, office space, and supportive retail, entertainment and dining options.

The proposed development is expected to include:

- Butchertown Stadium - 10,000 seats
- Hotel #1 - 166 rooms
- Hotel #2 - 142 rooms
- Retail space - 20,000 sq. ft.
- Restaurant space - 50,000 sq. ft.
- Office space - 340,000 sq. ft.

Total estimated cost of the project is \$193.1 million, excluding financing. Construction is expected to begin summer of 2018, with stadium construction complete by March 2020.

Public Infrastructure: Infrastructure costs total approximately \$34.6 million:

- Land preparation
- Public buildings/structure
- Sewers/storm drainage
- Curbs, sidewalks, promenades and pedways
- Roads
- Street lighting
- Provision of utilities
- Environmental remediation
- Floodwalls and floodgates
- Public space or parks
- Parking

Consultant Report: The project was reviewed by our independent consultant and determined to create a net new positive impact on the Commonwealth. The Office of State Budget Director and the Finance and Administration Cabinet approved the consultant's recommendations and have certified the report and the findings with their statutorily-required Certification of Net Positive Impact to the Commonwealth. The applicant has also reviewed the report and agrees with the findings and the amount eligible for recovery.

Total Capital Investment: \$ 193,100,000.00

Type of Eligible Cost: Public Infrastructure

Increment Recovery:

The following taxes are available for recovery from the footprint over the TIF term through a 60% recovery, as based on the independent consultant analysis:

Withholding Tax	\$58,118,891
Sales Tax	\$53,102,097
Real Estate Property Tax	\$2,798,405
Total Taxes Eligible	<u>\$114,019,393</u>
Increment Recovery Percentage	x 60%
Potential Increment Stream	<u>\$68,411,636</u>

Approved Cost:

\$21,700,000

Projected Eligible Taxes to Approved Cost:

\$5.25

Please note only amounts deemed as public infrastructure that occur within the state footprint are eligible for recovery through increments as outlined above. No state taxes shall be eligible for recovery until the minimum capital investment of \$20,000,000 (but not to exceed \$200,000,000) has been verified as being invested in the development area.

Special Condition/Requirement:

In order to ensure the applicant makes the capital investment, staff recommends including the following special condition/requirement:

Total cumulative investment of \$193,100,000, excluding financing costs, must be achieved to be eligible for the maximum total incentive of \$21,700,000. The actual project completion percentage of the investment will be applied annually to the total incentive approved of \$21,700,000 to determine the maximum total incentive available/earned for the project during the term of the agreement.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT BOND (EDB) PROJECT REPORT**

Date: May 31, 2018
Grantee: City of Franklin
Beneficiary: Fritz Winter North America LP
City: Franklin
Activity: Manufacturing
Bus. Dev. Contact: T. Simon

County: Simpson

OFS Staff: D. Phillips

Project Description: Fritz Winter is a family owned German company founded in 1951. The company specializes in iron cast auto parts such as brake rotors, drums, fly wheels and more. The company constructed a 240,000 square foot facility in Franklin for the processing, storage and distribution of automotive and commercial products.

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Total Investment
\$0
\$38,850,000
\$154,870,000
\$0
\$193,720,000

Anticipated Project Funding

Economic Development Bond Grant (State)
 Company Equity
TOTAL

Amount	% of Total
\$1,000,000	0.5%
\$192,720,000	99.5%
\$193,720,000	100.0%

Job and Wage Requirement Table

Compliance Date	Full-time, Kentucky- Resident Jobs Required	Job Type	Average Wage Required	Average Wage Type
December 31, 2021	160	Create	\$22.00	Total Hourly Compensation (includes benefits)
December 31, 2022	210	Create	\$22.00	Total Hourly Compensation (includes benefits)
December 31, 2023	235	Create	\$22.00	Total Hourly Compensation (includes benefits)
December 31, 2024	265	Create	\$22.00	Total Hourly Compensation (includes benefits)

* Compliance periods will be annually and first compliance period may be accelerated. Subsequent compliance periods will be adjusted if acceleration occurs.

Collateral Required: Not applicable - Grant is performance-based and disbursement will not occur until after annual compliance is confirmed.

Job Reduction Provision: 2021-2024 \$1,150 Per job not created or maintained

Wage Reduction Provision: Pro rata portion of EDB grant based on a formula outlined in the EDB grant agreement

Disbursement:

Disbursement of grant funds may occur after each annual compliance period when requirements have been reviewed by the Cabinet. Funds will flow through the Grantee/local government entity to the Beneficiary/company.

	CED
December 31, 2021	\$184,000
December 31, 2022	\$241,500
December 31, 2023	\$270,250
December 31, 2024	\$304,250
	\$1,000,000

RECOMMENDED ECONOMIC DEVELOPMENT BOND AMOUNT:

\$1,000,000

Ownership (20% or more):

Fritz Winter Eisengießerei GmbH & Co., KG - Stadtallendorf, Germany

Active State Participation at the Project Site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Dec 10, 2015	KBI	Approve-Prelim	\$5,000,000
Dec 10, 2015	KEIA	Approve-Final	\$690,000

Unemployment Rate:

County: 3.9%

Kentucky: 4.4%

Recommendation:

Staff recommends approval of this EDB grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this EDB grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the EDB funds for this project.

**TAX-EXEMPT GOVERNMENTAL UNIT/STATUTORY AUTHORITY ISSUANCE
OF INDUSTRIAL REVENUE BONDS (IRB)**

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY REQUEST
FOR REDUCTION IN STATE AD VALOREM TAX RATE**

Date: May 31, 2018
Issuer: Marion County Fiscal Court
Company: Maker's Mark Distillery, Inc.
City: Lebanon **County:** Marion
Project Type: Existing **Resolution #:** LIRB-18-01
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** D. Phillips

Project Description: Maker's Mark Distillery, Inc. plans to acquire and renovate a case finished goods warehouse along with the construction, equipping and installation of ten (10) barrel warehouses to meet future demands for Maker's Mark bourbons.

Proposed Issuance Date	Principal amount of IRB authorization	Term of Bond (years)
July 1, 2018	up to \$495,000,000	30

New, Full-time Jobs to be Created	Average Annual Salary
36	\$57,845

Anticipated Financed Project Costs

Land	\$1,500,000
Building/Improvements	\$51,000,000
Equipment	\$433,300,000
Infrastructure	\$9,200,000
TOTAL	\$495,000,000

Active State Participation at the Project Site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Jan 25, 2018	KEIA	Approve-Final	\$500,000

Unemployment Rate:

County: 3.5% Kentucky: 4.4%

Excluding other state tax credits and incentives approved for the project, if fully utilized by the company. These projections are provided by the company and are not verified by the Cabinet.

State Tax Revenues	\$1,879,358
Local Tax Revenue	\$25,005,490
TOTAL	\$26,884,848

Requested % Reduction in the Ad Valorem Tax	Projected Tax Savings over Bond Term
State: 100%	\$2,114,780
Local: 100%	\$4,208,400

Payments will be made by the Company in lieu of taxes to the following:

School District

Marion County Board of Education

The company will pay the tangible property tax on the liquid (spirits) inventory.

Any other Special Taxing District

N/A

Recommendation:

Staff recommends approval of the requested percentage reduction in the state ad valorem tax rate on the industrial building and equipment proposed to be financed through the issuance of the industrial revenue bonds.

Note that the KEDFA board is not making any type of determination as to the legality of the bonds to be issued by the above-referenced issuer, but is only approving the reduction on the ad valorem tax rate as provided by KRS 103.200 and KRS 132.020.

MEMORANDUM

TO: KEDFA Board Members

FROM: Sarah Butler
Incentive Administration Division

DATE: May 31, 2018

SUBJECT: KEDFA Loan Modification
Elizabethtown-Hardin County Industrial Foundation, Inc.
Hardin County, KY


On June 25, 1999, KEDFA closed a \$2,500,000 loan with Elizabethtown-Hardin County Industrial Foundation, Inc. (EHCIF) to finance the purchase of a tract of land for an industrial park expansion near Elizabethtown, KY in Hardin County. The loan was made for a term of five years at an interest rate of 2.0%. On June 10, 2003, KEDFA closed a second loan with EHCIF for \$1,500,000 to finance another expansion of the industrial park. This loan was also made for a term of five years at 2.0% interest. Collateral for both of these loans was an irrevocable letter of credit.

In June of 2013, KEDFA approved a request to combine these two loans into a single loan for \$3,500,000 and a maturity date of June 25, 2018. The loan continued to be secured with an irrevocable letter of credit and an interest rate of 2.0% due quarterly, with principal repayment as land was sold, or at maturity of the loan.

The current loan balance is \$2,664,572. The estimated cost basis is approximately \$5,824,000 or an estimated loan to cost of 40%. EHCIF has requested to extend the loan maturity for five years and increase principal payments to \$6,000 per quarter plus accrued interest. Security for the loan will continue to be an irrevocable letter of credit for the same amount of the loan balance.

Staff recommends approval of the request to modify and extend to June 25, 2023 and to increase the quarterly principal payments to \$6,000 plus 2% interest.

MEMORANDUM

TO: KEDFA Board
FROM: Kylee Palmer 
DATE: May 31, 2018
SUBJECT: Amendment to the Louisville/Jefferson County Metro Government's
Louisville Waterfront Development Corporation KEDFA Grant

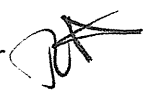
The Louisville/Jefferson County Metro Government is requesting a 90-day time extension on the Louisville Waterfront Development Corporation KEDFA Grant. This project received approval at the April 27, 2017 KEDFA meeting for a \$376,073 grant for replacement equipment and venue improvement/refurbishment for the Louisville Waterfront Park.

Approved funds for this project are set to expire on June 30, 2018. This time extension request would allow for the remaining \$9,808.79 of approved funds to be applied to the retainage owed to the electrical contractors for the completion of the High Mast LED Lighting project. All funds are expected to be requested and disbursed no later than September 30, 2018.

Staff recommends approval to amend the Louisville/Jefferson County Metro Government's Louisville Waterfront Development Corporation KEDFA Grant of a 90-day time extension to September 30, 2018.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director
Compliance Division 

DATE: May 31, 2018


SUBJECT: EDB Amendment
Valvoline LLC (Fayette County)
EDB Project # 21161

On June 30, 2016, KEDFA authorized an EDB Grant Agreement with Ashland, Inc., a Kentucky corporation, to assist with the leasing and equipping of a headquarters in Lexington, Fayette County. Following execution of the EDB Grant Agreement, Ashland Inc. was part of a corporate divesture which resulted in Valvoline LLC taking control over the project. It has been requested that Valvoline LLC be designated as the Approved Company under the Program and that it be substituted as a party to the Grant Agreement in place of Ashland, Inc. All other aspects of the project remain the same.

Staff recommends approval

MEMORANDUM

TO: KEDFA Board

FROM: Robert Aldridge, Assistant Director
Compliance Division 

DATE: May 31, 2018

SUBJECT: KBI Amended and Restated Tax Incentive Agreement
TechStyle, Inc. (Jefferson County)
KBI Project # 18422

Just Fabulous, Inc. received Final Approval on July 30, 2015 for a KBI project establishing a new distribution center in Jefferson County for the company's internet-based fashion website. The company and its approved affiliate, TechFab, LLC, operate at two leased facilities on National Turnpike in Louisville. The company accelerated its activation date to January 1, 2016. Following activation, it was determined that the company had formed a new subsidiary, Fabletics, LLC, which was operating at the project site and would qualify as an approved affiliate for the project as of final approval. Additionally, in 2016, Just Fabulous, Inc. changed its name to TechStyle, Inc., the current name of the company.

The company is requesting that TechStyle, Inc. be recognized as the approved company name and that Fabletics, LLC be added as an approved affiliate to the project. All other aspects of the project remain the same.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director
Compliance Division

DATE: May 31, 2018

SUBJECT: KBI Amendment
Valvoline LLC (Fayette County)
Project #18654



Ashland, Inc. received final approval for participation in KBI program on January 29, 2015.


On May 12, 2017, Ashland Global completed its distribution of the Valvoline Inc. stock it previously held, which resulted in Valvoline Inc. and Ashland Global becoming two independent companies. Ashland LLC f/k/a Ashland Inc. desires to transfer and assign the Project to Valvoline LLC (the "Company"), and the Company desires to accept and assume the Project.

All other aspects of the project remain the same.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director
Compliance Division 

DATE: May 31, 2018

SUBJECT: KEIA Extensions

The following companies have requested additional time to complete their projects:

Company	County	Extension
AAK USA K2, LLC	Jefferson	3 Months
Wilderness Trace Distillery Limited	Boyle	3 Months
Interapt, LLC	Jefferson	12 Months

Staff recommends approval.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 31, 2018
Approved Company: Berry Global, Inc.
City: Bowling Green
Activity: Manufacturing
Bus. Dev. Contact: C. Peek

County: Warren
Prelim Resolution #: KBI-I-18-22077
OFS Staff: M. Elder

Project Description: Berry Global, Inc., established under the name Imperial Plastics in 1967, has seen many changes over the years and now has 23,000+ employees and 18,000+ customers worldwide. The company is considering an expansion of its Bowling Green location by adding two high output blown film extrusion lines for its printed films production.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$1,350,000	\$1,350,000
\$400,000	\$15,000,000
\$110,000	\$110,000
\$1,860,000	\$16,460,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$20.00	
1	20	\$20.00	\$40,000
2	20	\$20.00	\$40,000
3	20	\$20.00	\$40,000
4	20	\$20.00	\$40,000
5	20	\$20.00	\$40,000
6	20	\$20.00	\$40,000
7	20	\$20.00	\$40,000
8	20	\$20.00	\$40,000
9	20	\$20.00	\$40,000
10	20	\$20.00	\$40,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$400,000

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):
Berry Global, Inc. Evansville, IN

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 3.0%
Local: 1.0% City of Bowling Green

Unemployment Rate:
County: 3.6% Kentucky: 4.4%

Existing Presence in Kentucky:
Boyle, Bracken, Hopkins, Jefferson, Jessamine, Simpson and Warren
Counties

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 133 full-time, Kentucky resident employees as of the application date.

The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 31, 2018
Approved Company: Corvac Composites LLC
City: Morgantown
Activity: Manufacturing
Bus. Dev. Contact: C. Peek

County: Butler
Prelim Resolution #: KBI-IL-18-22080
OFS Staff: M. Elder

Project Description: Corvac Composites LLC is a manufacturer of underbody systems for the automotive industry. The company operates two locations successfully in Morgantown. Corvac has been awarded new business from a customer in the automotive industry and is competing with a sister company internally for this project. New equipment will be needed to produce the underbody systems should this location be chosen.

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased

Rent
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$100,000	\$100,000
\$6,000,000	\$6,000,000
\$0	\$0
\$6,100,000	\$6,100,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$19.00	
1	20	\$19.00	\$40,000
2	30	\$19.00	\$40,000
3	30	\$19.00	\$40,000
4	30	\$19.00	\$40,000
5	30	\$19.00	\$40,000
6	30	\$19.00	\$40,000
7	30	\$19.00	\$40,000
8	30	\$19.00	\$40,000
9	30	\$19.00	\$40,000
10	30	\$19.00	\$40,000
11	30	\$19.00	\$40,000
12	30	\$19.00	\$40,000
13	30	\$19.00	\$40,000
14	30	\$19.00	\$40,000
15	30	\$19.00	\$40,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$600,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:
Base hourly wage: \$9.06
Total hourly compensation: \$10.42

Ownership (20% or more):
Humphrey Family LLC Boston, MA

Active State Participation at the project site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Sep 27, 2007	KREDA	Monitor	\$2,500,000
4/28/2011	KBI	Monitor	\$2,000,000

Requested Wage Assessment / Local Participation:
State: 5.0%

Unemployment Rate:
County: 5.0% Kentucky: 4.4%

Existing Presence in Kentucky:
Butler County

Special Conditions:

The project will include multiple locations within Butler County/Morgantown. Only investment costs incurred at 390 Industrial Road North will be considered towards calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

The company will be required to maintain a base employment equal to the greater of the number of full-time, Kentucky resident employees as of the date of preliminary approval or 165 (*base employment number required by previous project*) full-time, Kentucky resident employees.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 31, 2018
Approved Company: Crown Verity USA Inc.
City: Bowling Green
Activity: Manufacturing
Bus. Dev. Contact: C. Peek

County: Warren
Prelim Resolution #: KBI-I-18-22092
OFS Staff: M. Elder

Project Description: Crown Verity USA Inc. is a Canadian-based company that is a leading manufacturer of high-performing outdoor commercial and residential grills and cooking equipment. The company is considering opening its first US facility to warehouse, distribute and produce grills. In order to do so, Crown Verity would need to purchase some land, construct a facility and purchase some equipment.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$450,000	\$450,000
\$2,500,000	\$2,500,000
\$200,000	\$600,000
\$50,000	\$50,000
\$3,200,000	\$3,600,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$23.00	
1	10	\$23.00	\$15,000
2	12	\$23.00	\$20,000
3	12	\$23.00	\$20,000
4	15	\$23.00	\$25,000
5	20	\$23.00	\$30,000
6	20	\$23.00	\$35,000
7	20	\$23.00	\$35,000
8	25	\$23.00	\$40,000
9	25	\$23.00	\$40,000
10	25	\$23.00	\$40,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$300,000

County Type:

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Ownership (20% or more):

The Verity Trust Two Brantford, Ontario

Active State Participation at the project site: None**Requested Wage Assessment / Local Participation:**

State: 3.0%

Local: 1.0% City of Bowling Green

Unemployment Rate:

County: 3.6%

Kentucky: 4.4%

Existing Presence in Kentucky: None**Special Conditions:** None

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 31, 2018
Approved Company: Mayfield Consumer Products, LLC
City: Mayfield **County:** Graves
Activity: Manufacturing **Prelim Resolution #:** KBI-IL-18-22094
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: Mayfield Consumer Products, LLC is a complete home fragrance company that designs, manufactures and markets various label and branded candles and home fragrance products. The company is considering expanding in Graves County to implement a portion of its candle production operation as well as purchase some new equipment.

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased

Rent
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$100,000	\$100,000
\$340,000	\$2,674,368
\$0	\$0
\$440,000	\$2,774,368

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	17	\$19.00	
1	17	\$19.00	\$30,000
2	17	\$19.00	\$30,000
3	17	\$19.00	\$30,000
4	17	\$19.00	\$30,000
5	17	\$19.00	\$30,000
6	17	\$19.00	\$30,000
7	17	\$19.00	\$30,000
8	17	\$19.00	\$30,000
9	17	\$19.00	\$30,000
10	17	\$19.00	\$30,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$300,000

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):
VDV Management Group Charleston, SC

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 3.0%
Local: 1.0% City of Mayfield

Unemployment Rate:
County: 5.1% Kentucky: 4.4%

Existing Presence in Kentucky:
Graves County

Special Conditions:
The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 173 full-time, Kentucky resident employees as of the application date.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 31, 2018
Approved Company: RH Resolute Distillery, Inc.
City: Hickman **County:** Fulton
Activity: Manufacturing **Prelim Resolution #:** KBI-I-18-22078
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: RH Resolute Distillery, Inc. is considering utilizing a previously un-operated distillery in Fulton County. The current distillery was built to 99% completion and has been left in that state for years. The owner never started production. The company hopes to purchase the distillery, finish the construction and start production by mid-summer of 2018.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

	Eligible Costs	Total Investment
Land	\$0	\$0
Building/Improvements	\$7,250,000	\$7,250,000
Equipment	\$450,000	\$450,000
Other Start-up Costs	\$2,000,000	\$2,000,000
TOTAL	\$9,700,000	\$9,700,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	17	\$24.00	
1	17	\$24.00	\$24,000
2	17	\$24.00	\$24,000
3	17	\$24.00	\$24,000
4	17	\$24.00	\$24,000
5	17	\$24.00	\$24,000
6	17	\$24.00	\$24,000
7	17	\$24.00	\$24,000
8	17	\$24.00	\$24,000
9	17	\$24.00	\$24,000
10	17	\$24.00	\$24,000
11	17	\$24.00	\$24,000
12	17	\$24.00	\$24,000
13	17	\$24.00	\$24,000
14	17	\$24.00	\$24,000
15	17	\$24.00	\$24,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$360,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:
Base hourly wage: \$9.06
Total hourly compensation: \$10.42

Ownership (20% or more):

Kentucky Old Fashioned Barlow, KY
Rubicon Holdings LLC Murray, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 5.0%

Unemployment Rate:

County: 6.0%

Kentucky: 4.4%

Existing Presence in Kentucky: None

Special Conditions: None

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 31, 2018
Approved Company: RKW North America, Inc.
City: Franklin **County:** Simpson
Activity: Manufacturing **Prelim Resolution #:** KBI-I-18-22079
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: RKW North America, Inc. produces polyethylene films used in flexible packaging, medical packaging and household packaging items. The company is considering constructing an additional 30,000 square feet of manufacturing and warehouse space as well as installation of a blown film line and the addition of a multicolor print line to meet customer demand.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

	Eligible Costs	Total Investment
Land	\$0	\$0
Building/Improvements	\$3,075,660	\$3,075,660
Equipment	\$580,000	\$15,760,080
Other Start-up Costs	\$0	\$0
TOTAL	\$3,655,660	\$18,835,740

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	29	\$22.00	
1	30	\$22.00	\$60,000
2	30	\$22.00	\$60,000
3	30	\$22.00	\$60,000
4	30	\$22.00	\$60,000
5	30	\$22.00	\$60,000
6	30	\$22.00	\$60,000
7	30	\$22.00	\$60,000
8	30	\$22.00	\$60,000
9	30	\$22.00	\$60,000
10	30	\$22.00	\$60,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$600,000

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):

RKW America, LLC Westborough, MA

Active State Participation at the project site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Dec 10, 2015	KBI	Monitor	\$1,225,000

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% City of Franklin

Unemployment Rate:

County: 3.9%

Kentucky: 4.4%

Existing Presence in Kentucky:

Simpson County

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 83 full-time, Kentucky resident employees as of the application date.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 31, 2018
Approved Company: Four O Corporation
City: Hebron **County:** Boone
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-18-22095
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** D. Phillips

Project Description: RelaDyne, Inc. was found in 2008 and is an established leader in the lubricant sales, distribution and equipment reliability services industry. These services range from lubrication best practices to hand-on implementation of lubrication process and procedure programs designed to increase efficiency and improve the profitability of its customers. Four O Corporation is the oil distributing entity of RelaDyne, Inc. and is considering relocating from Ohio and doubling its current facility footprint to become the regional service and distribution center.

Facility Details: Locating in a new facility

Anticipated Project Investment - Leased

	Eligible Costs	Total Investment
Rent	\$2,261,700	\$4,523,400
Building/Improvements	\$600,000	\$600,000
Equipment	\$500,000	\$1,500,000
Other Start-up Costs	\$100,000	\$100,000
TOTAL	\$3,461,700	\$6,723,400

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	25	\$29.00	
1	25	\$29.00	\$20,000
2	25	\$29.00	\$20,000
3	25	\$29.00	\$20,000
4	25	\$29.00	\$20,000
5	25	\$29.00	\$20,000
6	25	\$29.00	\$20,000
7	25	\$29.00	\$20,000
8	25	\$29.00	\$20,000
9	25	\$29.00	\$20,000
10	25	\$29.00	\$20,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$200,000

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):
RelaDyne, Inc. Cincinnati, OH

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 1.5%
Local: .4% - Boone County

Unemployment Rate:
County: 3.5% Kentucky: 4.4%

Existing Presence in Kentucky: None

Special Conditions: None

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**KBI REPORT - PRELIMINARY APPROVAL**

Date: May 31, 2018
Approved Company: Investors Heritage Life Insurance Company
City: Frankfort **County:** Franklin
Activity: Service & Technology **Prelim Resolution #:** KBI-I-18-22081
Bus. Dev. Contact: T. Sears **OFS Staff:** K. Greenwell

Project Description: Investors Heritage Life Insurance Company was incorporated in 1960 as a Kentucky domiciled life insurance company and is a wholly-owned subsidiary of Investors Heritage Capital Corporation. The company is considering an expansion and renovation of its headquarters.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
Building/Improvements
Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$750,000	\$750,000
\$250,000	\$250,000
\$0	\$0
\$1,000,000	\$1,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	15	\$28.00	
1	30	\$28.00	\$75,000
2	45	\$28.00	\$75,000
3	60	\$28.00	\$100,000
4	75	\$28.00	\$125,000
5	75	\$28.00	\$125,000
6	75	\$28.00	\$125,000
7	75	\$28.00	\$125,000
8			
9			
10			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$750,000

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):
Investors Heritage Capital - Frankfort, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 3.0%
Local: 1.0% City of Frankfort

Unemployment Rate:
County: 3.8% Kentucky: 4.4%

Existing Presence in Kentucky:
Franklin County

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 75 full-time, Kentucky resident employees as of the application date.

The only incentive available for this project is the wage assessment.

MEMORANDUM

TO: KEDFA Board Members
FROM: Michelle Elder 
Incentive Administration Division
DATE: May 31, 2018
SUBJECT: KBI Extensions

The following companies have previously received KBI preliminary approval and are requesting approval of a time extension:

Company	County	Extension
eBay Inc.	Boone	6 Month
Karbec LLC	LaRue	6 Month
Toyo Automotive Parts (USA), Inc.	Simpson	6 Month
Accumetric, LLC	Hardin	12 Month
TMK IPSCO Coating Corporation	Campbell	12 Month

Staff recommends approval.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: May 31, 2018
Preliminary Approval: May 25, 2017
Approved Company: Bluegrass Supply Chain Services, LLC
City: Shepherdsville **County:** Bullitt
Activity: Service & Technology **Final Resolution #:** KBI-FL-18-21610
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: Bluegrass Supply Chain Services, LLC, founded in 2002, offers its customers value added solutions to their supply chain needs by providing warehousing, quality support, light assembly and transportation management services. The company leased a building for office and warehouse space.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$825,405	\$1,575,810

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	24	\$18.00	
1	24	\$18.00	\$30,000
2	24	\$18.00	\$30,000
3	24	\$18.00	\$30,000
4	24	\$18.00	\$30,000
5	24	\$18.00	\$30,000
6	24	\$18.00	\$30,000
7	24	\$18.00	\$30,000
8	24	\$18.00	\$30,000
9	24	\$18.00	\$30,000
10	24	\$18.00	\$30,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$300,000

County Type:

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 71

Maintain Statewide Employment: 178

Modifications since preliminary approval? No

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: May 31, 2018
Preliminary Approval: May 28, 2015
Approved Company: Hydro-Gear Limited Partnership
City: Princeton **County:** Caldwell
Activity: Manufacturing **Final Resolution #:** KBI-F-18-20445
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: Hydro-Gear designs and manufactures hydrostatic transmissions, serving multiple industries and exporting the product worldwide. The company expanded its Princeton facility to serve additional accounts.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$2,250,000	\$2,550,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$15.00	
1	20	\$15.00	\$80,000
2	40	\$15.00	\$80,000
3	40	\$15.00	\$80,000
4	40	\$15.00	\$80,000
5	40	\$15.00	\$80,000
6	40	\$15.00	\$80,000
7	40	\$15.00	\$80,000
8	40	\$15.00	\$80,000
9	40	\$15.00	\$80,000
10	40	\$15.00	\$80,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$800,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 144

Modifications since preliminary approval? No

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: May 31, 2018
Preliminary Approval: May 29, 2014
Approved Company: Texas Roadhouse, Inc.
Approved Affiliate(s): Texas Roadhouse Management Corp.
City: Louisville **County:** Jefferson
Activity: Headquarters **Final Resolution #:** KBI-FL-18-19897
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** M. Elder

Project Description: Texas Roadhouse, established in 1993, is a growing, full-service restaurant chain with 430 restaurants in 48 states and three foreign countries. The company expanded its headquarters to be able to operate more efficiently.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$8,300,000	\$13,400,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	30	\$33.00	
1	30	\$33.00	\$350,000
2	30	\$33.00	\$350,000
3	75	\$33.00	\$350,000
4	75	\$33.00	\$350,000
5	100	\$33.00	\$350,000
6	100	\$33.00	\$350,000
7	100	\$33.00	\$350,000
8	150	\$33.00	\$350,000
9	150	\$33.00	\$350,000
10	150	\$33.00	\$350,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$3,500,000

County Type:

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 287

Modifications since preliminary approval? No

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: May 31, 2018
Preliminary Approval: May 30, 2013
Approved Company: White Clay Consulting, Inc.
City: Louisville **County:** Jefferson
Activity: Service & Technology **Final Resolution #:** KBI-F-18-19512
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** M. Elder

Project Description: White Clay Consulting, Inc. is a software development and banking consulting firm established in Louisville in 2006. White Clay's primary customers are regional banks that help improve client relationship management and corporate performance tracking. The company expanded its location in Louisville.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$1,850,000	\$1,850,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$41.00	
1	10	\$41.00	\$39,000
2	20	\$41.00	\$39,000
3	25	\$41.00	\$39,000
4	30	\$41.00	\$39,000
5	30	\$41.00	\$39,000
6	30	\$41.00	\$39,000
7	30	\$41.00	\$39,000
8	30	\$41.00	\$39,000
9	30	\$41.00	\$39,000
10	30	\$41.00	\$39,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$390,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 12

Modifications since preliminary approval? No

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: May 31, 2018
Preliminary Approval: May 29, 2014
Approved Company: Data Dimensions, LLC
City: Mt. Sterling
Activity: Service & Technology
Bus. Dev. Contact: J. Bevington

County: Montgomery
Final Resolution #: KBI-FL-18-19935
OFS Staff: D. Phillips

Project Description: Data Dimensions, LLC is a leader of business process automation providing complete imaging and storage retrieval services, converting paper structured forms or unstructured hardcopy documents into electronic documents through various forms of document capture services. The project consisted of leasing a facility in Mt. Sterling to serve as its processing center.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$1,790,000	\$3,155,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	50	\$14.00	
1	75	\$14.00	\$66,667
2	100	\$14.00	\$66,667
3	100	\$14.00	\$66,667
4	100	\$14.00	\$66,667
5	100	\$14.00	\$66,667
6	100	\$14.00	\$66,667
7	100	\$14.00	\$66,667
8	100	\$14.00	\$66,667
9	100	\$14.00	\$66,667
10	100	\$14.00	\$66,667
11	100	\$14.00	\$66,667
12	100	\$14.00	\$66,667
13	100	\$14.00	\$66,667
14	100	\$14.00	\$66,667
15	100	\$14.00	\$66,662

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,000,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

Base hourly wage: \$9.06
Total hourly compensation: \$10.42

Special Conditions: None

Modifications since preliminary approval? Yes

The company is requesting the approved company name change from Data Dimensions Corporation to Data Dimensions, LLC. All other aspects of the project remain the same.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: May 31, 2018
Preliminary Approval: April 24, 2014
Approved Company: Universal Woods, Incorporated
City: Louisville
Activity: Manufacturing
Bus. Dev. Contact: L. Ransdell

County: Jefferson
Final Resolution #: KBI-F-18-19902
OFS Staff: D. Phillips

Project Description: Universal Woods, Inc. is a leading producer of mezzanine decking for large warehouses and produces sublimation products for customization by pro photo labs and photo gift retailers. The project consisted of an expansion of its existing manufacturing facility in Louisville to meet increasing customer demand.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$6,190,000	\$13,150,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	52	\$24.00	
1	78	\$24.00	\$300,000
2	105	\$24.00	\$300,000
3	130	\$24.00	\$300,000
4	156	\$24.00	\$300,000
5	156	\$24.00	\$300,000
6	156	\$24.00	\$300,000
7	156	\$24.00	\$300,000
8	156	\$24.00	\$300,000
9	156	\$24.00	\$300,000
10	156	\$24.00	\$300,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$3,000,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 99

Modifications since preliminary approval? Yes

The campus locations have been removed. All other aspects of the project remain the same.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KIRA REPORT - PRELIMINARY APPROVAL**

Date: May 31, 2018
Approved Company: Excel Mining LLC
City: Pikeville **County:** Pike
Activity: Coal mining/processing **Prelim Resolution #:** KIRA-I-18-22076
Bus. Dev. Contact: L. Osborne **OFS Staff:** D. Phillips

Project Description: Excel Mining, LLC has operated the Scott's Branch mining complex on John's Creek continuously since 1996. During that time, the complex has had an average of over 250 employees. The coal reserves, which had been accessed from the current mine, will be exhausted in early 2020. In order to prevent the closure, the company is considering an opportunity to relocate the operation and its employees to Brushy Creek near Pikeville. This potential project would require development of an underground mining complex with continuous mining units, room-and-pillar mining techniques, and construction of an overland belt transfer to access the existing coal preparation plant and rail loading facility. The new reserves would contain approximately 15 million tons of clean recoverable coal that would extend the life of the project and work force employment by over twelve years. The new mining facility would produce nearly 3 million raw tons of coal per year, of which around 1.2 million tons would be sold as a processed, clean thermal coal.

Other alternatives available would be to allow the exhaustion of the mineable coal reserves that remain within the current mine by the first quarter of 2020 and to then terminate all the employees permanently. Another option could be to invest capital dollars into more productive mining regions such as Illinois, Indiana or West Virginia. The priority of developing any of the alternative projects would depend on the economic justification, support of the local communities, obtaining necessary mining permits and securing adequate coal sales commitments to justify the capital investment.

Number of full-time jobs at the project location as of the application date:	210
paying average hourly wages, excluding benefits, of:	\$26.33

New, full-time jobs to be created	0
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Amount of coal being or intended to be mined from the project (in tons):	3,000,000
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Negotiated job retention requirement:	150
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If full-time employment falls below this amount, the project will be suspended from claiming incentives.

Anticipated Equipment and Related Costs

Land
 Building (new construction/additions)
 Improvements (existing buildings)
 Equipment and related costs (including installation costs)
 Other related costs
TOTAL

Eligible Costs (75% eligible)	Total Investment
\$1,401,750	\$1,869,000
\$1,237,500	\$1,650,000
\$0	\$0
\$40,185,750	\$53,581,000
\$12,375,000	\$16,500,000
\$55,200,000	\$73,600,000

Approved Costs	\$8,000,000
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TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:	\$6,000,000
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Financing:

Source	Amount
Bank Loan & Other	\$73,600,000
TOTAL	\$73,600,000

Ownership (20% or more):

Alliance Resource Operating Partners, LP - Tulsa, OK

Active State Participation at the Project: None

Requested Wage Assessment / Local Participation:

State: 4.0%

Local: 1.0% - Pike County

Unemployment Rate

County: 6.2%

Kentucky: 4.4%

Special Conditions:

The company and its affiliates will be required to maintain 1,000 full-time employees throughout the Commonwealth excluding the site of the project.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KRA REPORT - FINAL APPROVAL**

Date: May 31, 2018
Preliminary Approval: May 25, 2017
Approved Company: Domtar Paper Company, LLC
City: Hawesville **County:** Hancock
Final Resolution #: KRA-F-18-21611
Bus. Dev. Contact: K. Slattery **OFS Staff:** M. Elder

Project Description: Domtar Paper Company, LLC is an international pulp and personal care company that sells products to customers in more than 50 countries. The company's paper mill in Hancock County opened in 1967 and is one of the newest pulp and paper facilities in the United States. The mill is almost 50 years old, but the paper machines are relatively new. These machines are the core assets to Domtar's manufacturing system and the continued reinvestment in the facility is an important component for the future of the mill. The company completed upgrades and infrastructure improvements at the facility that were necessary for the long-term viability and production of the facility and workforce retention.

Current number of full-time jobs at the project location:

460

Required number of full-time jobs to retain at the project location:

414

Preliminarily Approved Anticipated Costs

Equipment and Related Costs

Training Costs

TOTAL

Eligible Costs	Total Investment
\$29,502,000	\$59,004,000
\$0	\$0
\$29,502,000	\$59,004,000

Actual Costs Expended

Equipment and Related Costs

Training Costs

TOTAL

Eligible Costs	Total Investment
\$7,336,973	\$14,673,946
\$0	\$0
\$7,336,973	\$14,673,946

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,000,000

Modifications since preliminary approval? No

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KENTUCKY SMALL BUSINESS CREDIT INITIATIVE (KSBCI)**

Date: May 31, 2018
Bank: Fifth Third Bank
Borrower: Narrow Gate Properties, LLC
Guarantors: Louisville Overstock LLC; Jesse Faught; Jeremiah Rhoden
Location: 9070 Dixie Highway, Louisville, KY 40258
Program Type: Kentucky Collateral Support Program (KYCSP)
Total Project: \$ 3,625,000.00 **Collateral Assistance:** \$ 360,000.00
Loan Term: 120 months **DFS Staff:** Kylee Palmer

Project Description: Fifth Third Bank has requested approval for the use of the KSBCI Collateral Support Program to enroll a \$3,240,000 loan for purchasing commercial real estate. Narrow Gate Properties, LLC is a holding company for Louisville Overstock LLC. Louisville Overstock plans to purchase commercial real estate on Dixie Highway in Louisville. Louisville Overstock is an official affiliate of Local Overstock Warehouse, one of the fastest-growing Home Furnishing companies in the U.S. With locations in Lexington KY, Louisville KY, Erlanger KY, Cincinnati OH, Clarksville IN, and now Evansville IN, Local Overstock Warehouse has expanded quickly due to the mission of providing the absolute best value on name brand furniture and mattresses. With a low-overhead operating structure and huge wholesale buying power, they can provide the same products and services as traditional stores, but without the huge retail markup.

Impact: The borrower anticipates creating 36 positions.

Fifth Third Bank has requested collateral assistance on its \$3,240,000 loan to the company. The Borrowers are also putting up an additional \$385,000, for a total project of \$3,625,000. The bank has requested KEDFA approval for \$360,000 from the Kentucky Collateral Support Program, which is 11% support.

The bank will be secured with a first mortgage on the property.

Approval: Staff recommends approval of the bank request for up to \$360,000 in support from the KSBCI Kentucky Collateral Support Program.

Kentucky Small Business Tax Credit Projects

May 2018

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/ Technology	Tax Credit Amount
Bluegrass Tool & Industrial, LLC	Fayette	12	5	\$23.60	\$22,430	\$17,500
Consultant Solutions, Incorporated	Fayette	21	4	\$28.97	\$18,422	\$14,000
Copperhead Environmental Consulting Inc.	Garrard	18	5	\$19.91	\$42,953	\$17,500
DF Trucking, Inc.	Pulaski	2	2	\$27.50	\$27,500	\$7,000
J2P, LLC	Pike	7	4	\$15.75	\$49,690	\$14,000
J Michael's Spa & Salon, LLC	Jefferson	15	7	\$27.73	\$10,186	\$10,100
SRP Enterprises, LLC	Warren	0	3	\$19.48	\$94,344	\$10,500
The Eye Center of Paducah, LLC	McCracken	5	2	\$14.24	\$6,943	\$6,900
Videobred, Inc.	Jefferson	11	1	\$19.23	\$5,451	\$3,500
XPLOREKY, LLC	Jefferson	8	4	\$20.13	\$49,622	\$14,000
10	7		37	Total	\$327,541	\$115,000

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying	
					Equipment/ Technology	Tax Credit Amount
Note: The tax credit amount will be equal to \$3,500 per eligible position, not to exceed the purchase price of qualifying equipment or technology, with a maximum income tax credit of \$25,000 per company for each calendar year. Per KRS 154.60-020, the maximum amount of credits that may be committed in each state fiscal year shall be capped at \$3,000,000.					Credit Limit	\$3,000,000
				Current FY Projected/ Approved Credits		\$1,629,500
				Remaining Credits		\$1,370,500

Kentucky Angel Investment Tax Credit Projects May 2018

Qualified Investor	Qualified Small Business	County	Qualified Activity	Projected Investment	Tax Credit Amount
Halecky, Benedicta M.	Atalo Holdings, Inc.	Clark	Bioscience	\$137,500	\$55,000
Needham, Phil D.	Atalo Holdings, Inc.	Clark	Bioscience	\$112,500	\$45,000
Stacy, Raymond Michael	Bexion Pharmaceuticals, Inc.	Kenton	Health & Human Development	\$250,000	\$100,000
Glasscock, Charles Edward	EdjSports, LLC	Jefferson	Other New Economy Knowledge Based Activity	\$100,000	\$40,000
Young, Christopher H.	EIE Materials Inc.	Fayette	Materials Science & Advanced Manufacturing	\$100,000	\$40,000
Huff, Michael Adam	Gourmet Renee LLC	Kenton	Materials Science & Advanced Manufacturing	\$10,000	\$4,000
Jones, Gregory Scott	Gourmet Renee LLC	Kenton	Materials Science & Advanced Manufacturing	\$10,000	\$4,000
Powers, Scott M.	Gourmet Renee LLC	Kenton	Materials Science & Advanced Manufacturing	\$10,000	\$4,000
King, Darren G.	Gun Media Holdings, Inc.	Fayette	Information Technology & Communications	\$150,000	\$60,000
King, Darren G.	Hummingbird Nano, Inc.	Fayette	Materials Science & Advanced Manufacturing	\$100,000	\$40,000
Young, Christopher H.	Hummingbird Nano, Inc.	Fayette	Materials Science & Advanced Manufacturing	\$50,000	\$20,000
Masters, Cynthia R.	MER Ventures LLC	Jefferson	Information Technology & Communications	\$25,000	\$10,000

Qualified Investor	Qualified Small Business	County	Qualified Activity	Projected Investment	Tax Credit Amount
Streepey, Ben M.	Pyrochem Catalyst Company	Jefferson	Materials Science & Advanced Manufacturing	\$20,000	\$8,000
Carter, Eric S.	Rabbit Hole Spirits, LLC	Jefferson	Other New Economy Knowledge Based Activity	\$100,000	\$40,000
Kakarlapudi, Venkata V.	Rabbit Hole Spirits, LLC	Jefferson	Other New Economy Knowledge Based Activity	\$150,000	\$60,000
Kelmanson, Louis R.	RCM Brain, Inc.	Jefferson	Information Technology & Communications	\$50,000	\$20,000
Lapinski, Sterling A.	Virtual Peaker, Inc.	Jefferson	Environmental & Energy Technology	\$50,000	\$20,000
Moeves, Tobias J.	Wyzerr Inc.	Kenton	Information Technology & Communications	\$10,000	\$4,000
18 Projects	13	4	Total	\$1,435,000	\$574,000
16 Investors					
<p>Note: For each calendar year, the total amount of tax credits available for the Kentucky Angel Investment Act program shall not exceed \$3,000,000. The total amount of tax credits approved to a Qualified Investor in a calendar year shall not exceed \$200,000 in aggregate.</p>					
Projected Credits - To Date				(\$3,574,000)	
Reclaimed Credits				\$695,232	
Current Projected/Approved Credits				(\$2,878,768)	
Credit Limit				\$3,000,000	
Current CY Projected/Approved Credits				(\$2,878,768)	
Remaining Credits				\$121,232	